

**NEW JERSEY  
MEDICARE SUPPLEMENT UNDER 50 COVERAGE PLAN BOARD**

<b>NOTICE OF ANNUAL MARKET SHARE FILING REQUIREMENTS</b>
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The New Jersey Legislature enacted P.L. 1995, c.229 (C.17B:26A-12 et seq.) to make Medicare supplement coverage available in New Jersey to residents under age 65 years of age who are eligible for Medicare. Certain provisions in this law authorized a mechanism for providing Medicare supplement coverage to the under age 50 market by creating a plan which by regulation N.J.A.C. 11:4-23A.3 became known as the Medicare Supplement – Under 50 Plan. The Under 50 Plan is administered by the Under 50 Plan Board. In carrying out its mission of providing Medicare supplement coverage to individuals under age 50 who become eligible for Medicare benefits due to disability or because of end stage renal disease, the Under 50 Plan is authorized to assess carriers and health maintenance organizations (HMOs) issuing health benefit plans or HMO subscriber contracts for their proportionate share of organizational, operating and net losses of the Plan unless the carrier or HMO has received an exemption or deferment from the Commissioner of Banking and Insurance (N.J.S.A. 17B-26A-15, N.J.A.C. 11:4-23A.9 et seq.). The assessment of each carrier and HMO is in the proportion that its net earned premium bears to the net earned premium of all insurers and HMO's (except that no carrier or HMO shall be liable for an assessment amount greater than 35% of the total net losses of the Under 50 Plan in any calendar year). In order to calculate the assessment shares, each carrier and HMO is required to file the attached market share report on or before March 1 of each calendar year.

For assessment purposes under N.J.A.C. 11:4-23A et seq., “health benefits plans” means a hospital and medical expense insurance policy, hospital service corporation contract, medical service corporation contract or health service corporation contract delivered or issued for delivery in New Jersey or a health maintenance organization subscriber contract delivered or issued for delivery in New Jersey. “Net Earned Premium” means the premium earned in New Jersey on health benefit plans, less return premiums thereon and dividends paid or credited to policy or contract holders on the health benefits plans. “Net Earned Premium” shall include the aggregate premiums earned in the carrier’s insured group and individual business and HMO business, including premiums from contracts. “Net Earned Premium” does not include premiums from any stop loss or excess coverage to the extent that such coverage: 1) is issued to self-funded arrangements to reimburse only the self-funded arrangements for expenses exceeding per person or aggregate limits, and for which employees or other individuals are not third party beneficiaries under the policy; and 2) the per person limit is no less than \$20,000 per year, and additionally, or in the alternative, the aggregate limit is no less than 125 percent of expected claims.

*If you do not report accident and health premium on your annual statement for the New Jersey Department of Banking and Insurance, you must file the Market Share Report certifying that you have no premium to report. If you do report accident and health premiums, you are presumed to be subject to assessment for the entire amount reported unless you file a completed Market Share Report which shows what portion of the reported premium is subject to assessment.*

Holly C. Bakke  
Commissioner of Banking and Insurance

## **MARKET SHARE CALCULATION**

### **"HEALTH BENEFIT PLAN" DEFINITIONS**

For this program, the market share of each carrier/HMO is to be in the proportion that its net earned premium on health benefit plans bears to the net earned premium on health benefit plans of all carriers/HMOs. The following definitions are from NJSA 17b:26a-12 and NJAC 11:4-23a.

**"Health Benefits Plan"** means a hospital and medical expense insurance policy, hospital service corporation contract, medical service corporation contract or health service corporation contract delivered or issued for delivery in New Jersey or a health maintenance organization subscriber contract delivered or issued for delivery in New Jersey.

**"Net Earned Premium"** means the premium earned in New Jersey on health benefit plans, less return premiums thereon and dividends paid or credited to policy or contract holders on the health benefits plans. "Net Earned Premium" shall include the aggregate premiums earned in the insurer's insured group and individual business and HMO business, including premiums from contracts covering Medicaid and HealthStart Plus recipients and premiums from Medicare cost and risk contracts. "Net Earned Premium" shall not include premiums from any stop loss or excess coverage to the extent that such coverage:

1. Is issued to self-funded arrangements to reimburse only the self-funded arrangements for expenses exceeding per person or aggregate limits, and for which employees or other individuals are not third party beneficiaries under the policy; and
  2. The per person limit is no less than \$20,000 per year, and additionally, or in the alternative, the aggregate limit is no less than 125 percent of expected claim
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The Under 50 Coverage Plan Board has adopted the following guidelines to be used in calculating carrier/HMO market share.

**Coverages Included:** Group, Individual, HMO Contracts of

Major Medical Coverages  
Medicare Supplement  
Medicare + Choice (premium from insureds only)  
Medicaid and HealthStartPlus  
Accident Medical  
Student Accident & Health Medical (expense incurred)  
CHAMPUS  
Specified Disease (expense incurred)  
Limited Benefits (expense incurred)

**Coverages Excluded:**

Disability Income  
Long Term Care  
Vision  
Dental  
Accidental Death & Dismemberment  
Medicare + Choice (premium from Federal Government)  
FEBA (contracts funded by the Federal Employee Health Benefits Act)  
Stop Loss (as defined in Net Earned Premium above)  
Self-Funded Arrangements  
Credit  
Hospital Indemnity  
Prescription Drug  
Short Term Travel  
Specified Disease (Indemnity)  
Accident (Indemnity)  
Limited Benefits (Indemnity)